

## Message Text

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ORIGIN TRSE-00

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 /092 R

DRAFTED BY TREASURY:TE,FRPC:WHWITHERELL:DLS

APPROVED BY EB/IFD/OMA:RJRYAN

EB/FSE:WMILAM

EUR/RPE:WCLARK

TREASURY:JMNIEHUSS

TREASURY:JMNEWMAN

TREASURY:JMLISTER

FRB:SPIZER

CEA:HJUNZ

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R 232007Z OCT 75

FM SECSTATE WASHDC

TO USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: EFIN, ENGR, OECD

SUBJECT: CPE/TWP PAPER ON INDEXATION OF OIL PRICES

REFS: A) CPE/TWP (75) 12, B) OECD 25688

1. WE CONCUR IN THE SUBSTANCE OF THE DRAFT REPORT OF THE  
WORKING PARTY (REF A) AND HAVE ONLY FOLLOWING SUGGESTIONS  
AIMED LARGELY AT CLARITY.

2. IN PARAGRAPH 3, WE SUGGEST INSERTING QUOTE GENERAL OR  
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SPECIALLY CALCULATED PRICE INDEX UNQUOTE IN PLACE OF QUOTE

GENERAL PRICE INDEX UNQUOTE. WE WOULD ALSO SUGGEST DELET-  
ING QUOTE PARITY UNQUOTE FROM LAST SENTENCE.

3. IN PARAGRAPH 5, WE DO NOT BELIEVE ANALYTICAL WORK SO  
FAR WARRANTS THE STATEMENT ON INFLATIONARY EFFECT OF THE  
OIL PRICE INCREASES, AS FORMULATED HERE. WE SUGGEST DELET-  
ING QUOTE COMA AFTER ALLOWING UNQUOTE IN SECOND SENTENCE  
AND INSERTING QUOTE SEMICOLON IN ADDITION ONE NEEDS  
ALLOW UNQUOTE. THIS IS MORE CONSISTENT WITH PARAS 8-9 OF  
CPE.TWP (75) 13.

4. IN PARAGRAPH 7, WE SUGGEST EXPLAINING POINT ABOUT  
INCOME DISTRIBUTION BY ADDING TO END OF FIRST SENTENCE  
QUOTE BY RAISING THE PRICES OF THEIR EXPORTS ABOVE WHAT

THEY WOULD BE OTHERWISE UNQUOTE. AS THIS SENTENCE STANDS,

IT COULD BE OBSCURE TO SOME READERS, ESPECIALLY SINCE THE  
PARAGRAPH GOES ON TO NOTE THAT POSSIBLE EFFECT OF INDEXA-  
TION COULD BE TRANSFER OF RESOURCES FROM DEVELOPING TO  
DEVELOPED COUNTRIES.

5. IN PARAGRAPH 9, WE SUGGEST CHANGING FIRST SENTENCE TO  
READ SIMPLY QUOTE WILL HAVE TO REFLECT CHANGES IN SUPPLY  
AND DEMAND UNQUOTE INSTEAD OF QUOTE WILL, AND WILL HAVE TO  
REFLECT UNQUOTE.

6. IN PARAGRAPH 12, WE SUGGEST DELETING TERM QUOTE  
REGULARLY UNQUOTE IN REFERENCE TO TALKING WITH PRODUCERS  
BECAUSE AS WRITTEN THIS PARAGRAPH IMPLIES MORE FORMAL  
PERIODIC CONSULTATION FORMULA THAN WE COULD SUPPORT AT  
THIS TIME.

7. IN PARAGRAPH 13, WE SUGGEST REVISING LAST SENTENCE TO  
READ QUOTE THERE IS ALSO THE QUESTION WHETHER SUCH AN  
AGREEMENT WOULD BE LIKELY TO YIELD COMMENSURATE CONCESSIONS  
TO OIL CONSUMERS. UNQUOTE.

8. WE HOPE COMMENTS FROM OTHER GOVERNMENTS REFLECT SAME  
BASIC ENDORSEMENT OF SECRETARIAT REDRAFT OF INDEXATION  
PAPER. INGERSOLL  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, PETROLEUM, COMMITTEES, PRICE INDEXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 OCT 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
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**Review Date:** 27 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**TAGS:** EFIN, ENRG, OECD  
**To:** OECD PARIS  
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